

Luggage makers go big on small suitcases as muted travel hits demand

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War-driven cost pressures are deepening an already weak travel cycle, dampening luggage makers' peak summer season and pushing them to pivot to smaller, lower-priced products from bigger suitcases. Higher airfares and geopolitical uncertainty have hit suitcase sales, forcing brands to lean on backpacks and accessories to protect volumes without eroding margins.

The June quarter accounts for about 40% of annual sales for luggage brands as families typi-

cally spend more on holidays and leisure travel. But firms said in 2026, geopolitical disruptions, higher domestic travel costs, and a sharp rise in crude oil-linked raw materials have dampened the typical seasonal optimism, forcing brands to rethink their strategies.

According to ratings firm Icra, India's domestic air passenger traffic grew just 1.6% year-on-year between April 2025 and February 2026, slowing from 16% in full 2023-24 and 7.6% in 2024-25. Icra said the moderation suggests the post-pandemic travel boom had begun to ease even before the recent upheavals.

Higher fares, operational disruptions and geopolitical



Higher airfares and geopolitical uncertainty have hit suitcase sales, forcing brands to lean on backpacks, accessories. ISTOCKPHOTO

tensions have made leisure travel more expensive, weighing on discretionary purchases such as luggage.

This underscores a broader

challenge of sustaining demand in a discretionary category, as consumers turn more price-sensitive during phases of turmoil. Brands are increasingly

focusing on smaller, more frequent purchases to offset slower big-ticket luggage sales.

Data suggests the strategy could reshape the sector over time. India's luggage market is projected to reach ₹267 billion by 2028, growing at 12% annually, with branded players accounting for 52% of industry sales, according to a 2025 September thematic report by Motilal Oswal.

Backpacks now account for about 17% of the overall luggage market, while categories such as handbags

and other travel accessories together take the share of non-suitcase segments to over half of the total mix.

DAMPENED OPTIMISM

THE June quarter accounts for about 40% of annual sales for luggage brands

THIS year, factors such as rise in prices of oil-linked raw materials have hit seasonal sales

This reflects a broader shift is underway, where firms are increasingly expanding beyond core trolley luggage into adjacencies that offer higher purchase frequency and stronger consumer engagement.

The Motilal Oswal report said

as VIP and Safari are leveraging their brand strength to build presence in backpacks, hand-

bags and laptop bags to "increase share of wallet", even as demand drivers such as rising student mobility, corporate travel and everyday usage make these categories more resilient and repeat-driven compared to traditional suitcases.

"Through disciplined inventory planning, strategic sourcing, and tighter supply chain controls, we've been able to absorb a significant portion of these pressures," said Anuj Sawhney, managing director of Swiss Military, referring to the rise in materials such as polycarbonate and polypropylene used in hard-shell luggage.

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